First Unitarian Universalist Church of Houston
Principles of Governance
Revised August 3, 2026

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Overview

First Unitarian Universalist Church of Houston (the Church) is a covenantal religious institution as well as a non-profit Texas corporation, organized to establish a Church to conduct one or more ministries as a member congregation of the Unitarian Universalist Association, according to Unitarian Universalist (UU) principles and values. As a membership organization, members elect a Board of Directors that functions as its governing body, along with a Senior Minister who serves as its spiritual, programmatic, and administrative leader. These Principles of Governance include the following:

(1) Provide guidance for Vision and Mission for our Church's future.
   (a) Develop long-term goals for effective and efficient operations, membership growth, expansion of the Church, and the financing of such goals.
   (b) Develop short-term means and resources for implementing the agreed and approved Vision, Mission, and long-term goals.

(2) Adopt and support a concept of shared ministry where the staff, Board, and Members share in the ownership of and accountability for the achievement of the long- and short-term goals of the Church.

(3) Empower the Senior Minister to lead the staff and volunteers efficiently and responsibly with clear, written job duties geared to fulfill the Church's Mission and goals endorsed by the Board.

(4) Create a clear policy structure and allied procedures that allocate responsibility for decision-making and ensure the Church resources are utilized in accord with legal and corporate requirements, that all activities support its Mission, and that resources are protected to the extent required by law, the UUA, and these Principles.

(5) Create a governance model that is legally sufficient and administratively effective, and a governance model that incorporates all the above provisions and is straightforward, does not require a lengthy training process, and can be implemented effectively and efficiently.

(6) Provide for open communications, transparency, and clear but non-obstructionist oversight.

Leadership and open communication are the benchmarks of the Church's governance. Expectations of leadership include inclusiveness, collegiality, inter-cooperation, and consultation with clear, written expectations of responsibility and authority. Church egalitarian and democratic principles that recognize respect and worth of all persons will pervade throughout, with or without a written covenant. The Church leaders will practice transparent decision-making, healthy conflict management and mutual support in their respective roles.

BOARD GOVERNANCE

1. Board Governance

1.1. Role of the Board of Directors. The Board will govern primarily by discerning an approved Vision and Mission, and planning and partnering with the Senior Minister and staff for the achievement of shared goals while holding Church leaders accountable for their actions, decisions, and performance. The Board will solicit input from Members on all Annual Work Products.

1.1.1. Annual Board Work Products. In concert with the Senior Minister, staff, and Congregants, the Board will produce and adopt:

1.1.1.1. An annual short list of **Aspirations** concerning the Church's future, as the basis for ongoing planning conversation(s) within the Board, with the Senior Minister and staff, and with the Congregation at large.

1.1.1.2. An annual **Vision of Ministry** (Vision), consisting of a short list of top-priority matters where the Church will advance its work in the coming year, as a starting point for budgeting and staff planning.

1.1.1.3. An annual mutual **Assessment** of the Senior Minister's and Board's effectiveness in their respective roles and achievements of the prior year's Vision of Ministry, as described in Section 4.2.4.

1.1.2. Less Frequent Board Work Products. In concert with the Senior Minister, staff, and Congregants, the Board will produce and adopt:

1.1.2.1. An **Evaluation** of the Senior Minister's performance in their wider ministerial and administrative roles, as described in Section 4.2.7 herein.

This written, formal evaluation will be performed at least every three (3) years and may be performed more frequently, as needed and/or appropriate, at the Board's discretion. The first Evaluation will occur at the end of the second year of ministry and every three years thereafter.

1.1.2.2. A **Mission Statement** to be updated, as needed, that articulates the Church's purpose, and related statements (Vision, Mission, Covenants, and values) to communicate the reasons and bases for the Church's work.

1.1.2.3. A **Strategic Plan** to be updated, as needed, (on an on-going basis) showing overall long-term strategic goals and programs of the Church projected for the next five years.

1.2. Board Officers. In addition to the duties defined by the Bylaws, the Officers have the following responsibilities**:**

1.2.1. The **Board President** prepares the Board's agenda, facilitates or arranges for facilitation of Board meetings, and works in partnership with the Senior Minister to ensure productive partnership between the Board and staff.

1.2.2. The **Vice President** assists and substitutes for the Board President upon request. The Vice President is responsible for leading the Board's planning work, including planning conversations with Members and supporters of the Church. The Vice President is responsible for the oversight and execution of the annual Board and Senior Minister's Mutual Assessment.

1.2.3. The **Secretary** ensures the security and accuracy of Board records, including the Minutes and the Principles of Governance. In cooperation with the staff, the Secretary sees that the Minutes and Board Policies are promptly posted on the Church website and made available to Members. The Secretary is responsible for maintaining and filing all corporate records in accordance with state and federal laws. The Secretary will be appointed by the Board for an indefinite term and is a non-voting member of the Board. One or more Clerks may be appointed to assist in any of these duties under the supervision of the Secretary.

1.2.4. The **Treasurer** supports fulfillment of the Board's financial oversight responsibilities by working with the staff to ensure appropriate financial reports are made available to Board Members on a timely basis (quarterly financials, etc.). The Treasurer serves on the Finance Committee and is responsible for directing the annual financial audit or review, and therefore plays no direct role in financial management. The Treasurer will be appointed by the Board for an indefinite term and is a non-voting member of the Board.

1.3. Standing Committees. Committees exist to help the Board to govern, rather than for administration or program management and may not make decisions on the Board's behalf. (To manage programs, finances, and operations, the Church uses Ministry Teams or staff who are responsible to the Senior Minister.)

1.3.1. Finance Committee

1.3.1.1. The Treasurer is automatically a member of the Finance Committee.

1.3.1.2. The Finance Committee assists the Board in its oversight of the Annual Budget and the Church's finances, ensures routine financial reports are accurate, and coordinates the annual audit/review.

1.3.1.3. The Finance Committee prepares quarterly financial statements that show the overall financial position of the Church, include a complete balance sheet and detailed statements of operation income and expense, capital project statements, and a statement of cash flows. Such statements will be reviewed by the Treasurer and the Senior Minister

prior to submission to the Board.

1.3.1.4. In addition, the Finance Committee will develop and maintain financial policies, work with the staff to prepare a draft budget for consideration by the Board and respond to requests from the Board and staff for advice on budgetary or financial concerns or requests, or other financial matters.

1.3.1.5. Every two years, the Finance Committee will conduct a review of the Church's financial records and report in writing to the Board. From time to time, the Finance Committee may recommend an external audit. This Committee is tasked with the responsibility to monitor compliance with these Principles and Generally Accepted Accounting Principles (GAAP) on an on-going basis and report non-compliance to the Board promptly if/when it occurs.

1.3.2. Executive Committee.

1.3.2.1. The Executive Committee shall be composed of the President, Vice President, and the Senior Minister. The Business Administrator and the Treasurer are non-voting members who may participate as needed.

1.3.2.2. The Executive Committee is mandated to ensure that FUU Principles and the decisions of the Board are executed and assist the President with setting the Agenda for Board Meetings.

1.3.2.3. Additionally, the Executive Committee may act on behalf of the Board in the interim between regular or special called meetings as needed or required. Such limited decision-making authority and actions are subject to discretionary ratification by the Board. Any actions taken between Board Meetings must be disclosed to the Board at the next proximate Board Meeting for review and ratification by majority vote of the full Board.

1.4. Other Committees. The Board may appoint one or more other Committees (i.e., Governance, Personnel), as needed. All such appointments will be for a designated purpose (charter) and a limited duration.

1.4.1. Board Committees are appointed by the Board and may be composed of Board Members, Congregants and/or Members. The Board will appoint Committee members primarily based on expertise in the Committee subject matter, or other demonstrated knowledge or experience.

1.4.2. The Board will review committee membership at the end of each fiscal year to determine if the membership is still appropriate and that there is sufficient rotation of new members onto the committees.

1.4.3. No member can serve more than five consecutive years on a given committee without a break in service. A member can serve a second term after a hiatus of at least three years. No member may serve more than two terms on the same committee**.**

1.5. Nominating Committee. The Nominating Committee is the only committee that is not a Board Committee. The duties of this committee are described in the Bylaws of the Church.

1.6. Expectations of Board Members.

1.6.1. Board Covenant. The members of the Board will enter a Covenant of mutual expectations for Board service. New members of the Board will be asked to join in these commitments, and the Board will review and/or update this Covenant at least annually. The Covenant will include the following obligations:

1.6.2. Prepare for Board meetings. Board Members will read the Board packet sent prior to each meeting and accept responsibility to seek and provide information necessary for the Board to make well- informed decisions.

1.6.3. Attend Board meetings. When possible, Board Members will duly attend all regular or special called Board meetings. If it is necessary to miss a Board meeting, Board Members will inform the Board President as early as possible of such absence. If at any point, Board Members do not expect to be able to attend meetings consistently, or be able to fulfill their obligations as expected, Board
Members will voluntarily resign for the good of the Church.

1.6.4. Participate in Board meetings. Board Members will listen carefully to others, giving special attention to ideas and perspectives different from their own. Board Members will feel free to state their opinions and ask questions when they do not understand. Members will speak forthrightly in Board meetings and vote according to their understanding of the best interest of the Church.

1.6.5. Share the work of the Board. Board Members will respond to emails and other communications in a timely manner. Members will accept assignments and other tasks and complete them as agreed. Each Board Member is equally responsible for speaking up to ensure compliance with the corporate
documents, Bylaws, ethical values, UU Principles and Guidelines, and the Board Covenant.

1.6.6. Treat one another with respect and courtesy when there are disagreements or conflicts. Board Members will directly address persons concerned without recrimination, fault finding, or judgement, seeking assistance from others, as necessary, to sustain a positive, and constructive working atmosphere within the Board.

1.6.7. Use discretion in communicating about Board discussions. Board Members will treat the comments expressed in Board discussion as confidential, until final and disclosable and refrain from reporting the opinions of others. Board Members will speak respectfully of the Board's authority to make decisions, even when they do not agree. When the Board agrees that certain matters will be kept confidential, Board Members will honor those agreements.

1.6.8. The Board speaks with **one voice**. Once the Board decides its official position on the issue, all Board Members are expected to publicly support the decision and refrain from undermining the decision, directly or indirectly.

1.7. Conflicts of Interest. The Board expects its Members, and by extension, all appointed Members of Board or Standing Committees, to carry out their duties with undivided loyalty to the Church and its Mission. A conflict of interest exists whenever a Board Member has relationships, interests or duties that may hinder or appear to hinder the Member from fulfilling the ethical duty and obligation to do, say, or decide only what is in the best interests of the Church.

1.7.1. Definition. Conflicts of interest arise when a Board Member:

1.7.1.1. Stands to gain or lose financially because of an action of the Church in which they have a decision-making role.

1.7.1.2. Cannot set aside their personal preferences as an individual consumer of the Church's services to act in behalf of the Church as a whole and its Mission.

1.7.1.3. Faces any other situation that impairs or reasonably appears to impair his or her independence of judgment.

1.7.1.4. Has a close relationship with someone who has a conflict of interest, as defined above. A close relation includes any person, corporation, or other business entity with which the Board Member has a close personal, family, or business relationship.

1.7.2. Conflict of Interest Disclosure. The Board will annually require its members to disclose in writing all existing or foreseeable conflicts of interest. Disclosure forms must be kept by the Secretary and made available to any member of the Board who asks to see them. Following such disclosure, should circumstances change and a conflict arise or become apparent, Board Members will promptly disclose any actual or perceived conflict of interest to the Board President.

1.7.3. Conflict of Interest Process. When a Board Member reports an actual or potential conflict of interest related to a matter before the Board, the Board (minus the affected member) will determine how to handle the situation.

Possible responses include:

1.7.3.1. Disclosure in Board minutes of the nature of the conflict.

1.7.3.2. The affected Member leaving the room during all Board discussions and votes related to the Conflict of Interest.

1.7.3.3. Resignation from the Board.

1.7.4. Discipline and Removal of Board Members. In exercising its power under the Bylaws to remove an Officer or Member, the Board will follow the following procedures:

1.7.4.1. Removal for Misconduct. The President (or the Vice President and two Board Members if the President is the issue) will notify the Member in writing and offer a hearing before the Board. Pending such a hearing, the Board may suspend the Member's voting privileges.

1.7.4.2. Removal for Absence from Board Meetings. If an Officer or Board Member misses more than three consecutive meetings in a 12-month period without a valid reason, the President (or Vice President and two Board Members if the President is the issue) will notify the Memberin writing that the Member may appear at the next meeting to ask the Board to excuse the absences, ortheBoard will request the Member's resignation.

1.7.4.3. Death If a Member dies, s/he is automatically considered to have resigned from the Board.

1.7.4.4. Voluntary Removal. If or when a Board Member is unwilling or unable to continue to serve, leaves the Church, moves, or becomes incapacitated or disabled and unable to accommodate expected participation, the Board Member is expected to voluntarily resign. If resignation is not voluntary or not possible, the Board may remove the Board Member by majority vote.

2. DELEGATION TO THE STAFF

2.1. Global General Delegation of Authority to the Senior Minister. The Senior Minister serves as the Church's spiritual, programmatic and administrative leader of the Church. The Board hereby delegates its authority to manage the work and overall administration of the Church, as well as the allocation of resources on behalf of the Church, to the Senior Minister, except as expressly limited by these Policies.

2.1.1. Overall Delegation strategy. As referenced in Sections 1.1.1. and 1.1.2., during the year, the Board will guide the Senior Minister with Aspirations, Annual Vision of Ministry and written annualized and long-term strategic plans

to be achieved by the Church. If needed, these may include the achievement(s) of certain results or goals within given timelines and budgets. The Senior Minister will use the Board's decisions to develop action plans and objectives that implement the Board's expressed Aspirations, , Strategic plans, and expressed goals in the Annual Vision of Ministry.

2.1.2. The Senior Minister will proffer **action plans**, goals, and objectives that are designed to implement the Vision(s) of Ministry and will include the choice of organizational means and resources needed to successfully accomplish them. Such goals and action plans will be provided to the Board in writing as part of the Senior Minister's regular compliance reports submitted as required herein. The Board retains the right and responsibility to review with pre, interim and/or continuing approvals of the Senior Minister's plans, as needed. Such approval(s) will be authorized so long as the goals and action plans are reasonable, compliant with these Principles, and within budget or subject to new, feasible funding sources.

2.1.3. Given the Senior Minister is responsible for implementing any plans of action and is the Board's exclusive link to operational activity, any **Board requests** for services in support of the Board's strategic plans and Vision(s) of Ministry that involve the use of staff, will only be made through the Senior Minister. The Senior Minister may reform, modify, or change the organizational structure of the church and the lines of supervision associated with any organizational structure, or develop a new one(s).

2.1.4. The Senior Minister's responsibilities are wholly dependent on **mutual trust** with the Board. The Board will respect this trust by respecting confidentiality and by communicating in a prudent and professional manner without involving the staff or Congregants except as general communications to all Congregants.

2.2. Delegation to the Senior Minister as Spiritual Leader. The Senior Minister is called to be the spiritual, pastoral, and worship leader of the Church. The Senior Minister will ensure effective leadership in worship, ceremonies of passage, religious education, and all activities and programs associated with and related to the spiritual life of the Church.

2.2.1. The Senior Minister is expected to **model self-care** and personal spiritual practice and facilitate institutionalization of these practices in the Church.

2.2.2. The Senior Minister will **oversee** the provision of pastoral care, comfort, and counsel to the Congregants either directly or by delegation.

2.2.3. To promote a challenging, dynamic, and progressive ministry, the Board will respect, and the Senior Minister will encourage and **defend freedom of the pulpit.**

2.2.3.1. This premise notwithstanding, freedom of the pulpit cannot be used as a defense to any breach of confidentiality as defined by the Unitarian

Universalist Ministers Alliance Professional Guidelines, any breach of law(s), or any Policy.

2.2.3.2. Freedom of the pulpit may never be used as a basis to support or promote any commercial product or service(s) for personal gain by anyone.

2.3. Delegation to the Senior Minister as Programmatic Leader. The Senior Minister is called to be the programmatic leader of the Church. The Senior Minister, directly or by delegation, will ensure effective leadership in congregational life, membership, communication, and other congregational programs. Because the Board deems Church activities, programs, and the work of teams, as components of overall Church ministries and Mission, the Senior Minister will be ultimately accountable for all, including those organized by staff and volunteers.

2.3.1. The Senior Minister will make reasonable and diligent efforts to meet **universal welcoming** principles and access to worship and Church programs, ministries, task forces, teams, or specified interest groups within the limitations of available staff, facilities, and financial resources. (See Section 3.4 et al. herein.)

2.3.2. All sanctioned activities will be reported to and **reviewed** by the Senior Minister either directly or through staff support assigned to such activities. Note: Committees formed by the Board for the purpose of governance will be exempt from this mandate.

2.3.3. The Senior Minister will ensure all sanctioned activity teams, groups, task forces or ministries operate with a **written charter** or statement of purpose and that they function in accord with UU Principles, Church Missions, Church covenants, values, established procedures, and these Principles. (See Section 4.2.6 herein.)

2.4. Delegation to the Senior Minister as Social Justice and Outreach Leader. The Senior Minister is called upon to be the Outreach and Social Justice Leader of the Church. The Senior Minister will directly, or by delegation, ensure effective leadership in outreach efforts associated with delegated social justice issues or efforts that reflect UU Sources and Principles.

2.4.1. The Senior Minister is called upon to ensure the Church has a voice in and **acts benefitting social justice** in the greater Houston community by ensuring the Church is represented in public outreach, and by establishing relationships with social justice groups, organizations, social agencies, local governmental agencies and third parties outside of the Church.

2.4.2. If time and circumstances allow, the Senior Minister is expected to refrain from asserting an official position of the Church or Board until the Board has

formally and explicitly adopted a position of record. If a **position of record** has been adopted, the Senior Minister will support that position in public statements and outreach efforts. If no time permits a full Board review, the Senior Minister may issue a statement or position that is consistent with UU principles and values. Nothing in this policy will be construed to infringe upon the fundamental principle of freedom of the pulpit.

2.5. Delegation to the Senior Minister as Administrative Leader. The Senior Minister is called upon to be the Administrative Leader of the Church. The Board delegates to the Senior Minister oversight of all Church administration. Given the nature, range and volume of responsibilities, duties, and functions involved with administration, the Board authorizes the Senior Minister reasonable discretion to further delegate responsibilities to staff, volunteers, Congregants, third parties, or teams, so long as the tasks are reviewed and supervised by the Senior Minister. The accountability for such delegated tasks remains ultimately with the Senior Minister.

2.6. Delegation to the Senior Minister as Head of Staff. The Board delegates to the Senior Minister overall oversight of all staff. The Senior Minister will follow UUA Principles and Guidelines in selecting and managing staff and ensure all actions taken are just, equitable, and compassionate.

2.6.1. The Senior Minister will:

2.6.1.1. Comply with all Policies relating to the treatment of staff. (See sections 3.2 and 3.3 herein)

2.6.1.2. Manage all staff in a direct and forthright manner with written, clear, and appropriate job descriptions and through communications that ensure expectations are clearly expressed and managed appropriately.

2.6.1.3. Respond timely and appropriately to communications from staff and volunteers, as needed, and as expeditiously as reasonably possible.

2.6.1.4. Hire, evaluate, and remove all Senior Staff, except for any contract ministers. The Senior Staff includes all Assistant Ministers, all Associate Ministers, the Business Administrator, the Director of Religious Education, and the Director of Music, all of whom may report directly to the Senior Minister or to another staff person with delegated authority. Staff evaluation requirements are included in Section 4.2.5 herein.

2.6.1.5. Oversee the hiring, evaluation, and removal decisions of other paid staff not directly under the Senior Minister's supervision.

2.6.2. Once the annual budget is approved by the Board, any new paid staff positions, permanent or temporary, must be approved by the Board with no guarantee or implication of employment before approval is granted. No

unfunded pension liabilities may be incurred.

2.6.3. The Senior Minister, staff, and volunteers will neither cause nor allow activities, programs or practices, decisions, or organizational circumstances in the Church to conflict with the Church's values, Mission, or Vision(s). This provision includes Church sponsored events, as well as any third-party activities taking place in the Church building.

2.6.4. The Senior Minister is authorized to establish all administrative procedures and personnel policies, as needed; any such policies will not conflict with, supersede, or contradict these Board Principles, UUA Principles, or state or federal law(s).

2.6.5. The Senior Minister, staff and volunteers of the Church will ensure the 501(c)(3) tax exempt IRS status of the Church is not jeopardized through any illegal or unauthorized action(s), endorsement(s), decision(s), position(s), advocacy activities, and/or third party alliance(s).

2.6.6. The Senior Minister will work in collaboration with the Senior Staff as a team. The Board expects the Senior Minister and the Senior Staff Team individually and jointly:

2.6.6.1. To lead and unify staff and volunteers in directing their efforts toward the fulfillment of the Church's Mission, Vision of Ministry and Strategic plans.

2.6.6.2. To ensure the compliance with the Bylaws, these Principles, and applicable federal, state, or local laws and regulations.

2.6.6.3. To uphold a high standard of ethical and professional conduct.

2.6.6.4. To comply with the Safe Congregation Policy.

2.6.6.5. To accomplish the goals contained in the Annual Vision of Ministry and expressed plans of action by developing annual goals for each delegated team and the work to which it is assigned.

2.6.7. All senior **staff members are accountable** for performance directly to the Senior Minister in the capacity of Chief of Staff. All other paid staff are accountable for performance directly to the Business Administrator unless otherwise designated by the Senior Minister.

2.7. Delegation to the Senior Minister Regarding Facilities and Maintenance. The Senior Minister will take all appropriate actions to prevent harm to the Congregants, guests, and staff who take part in Church activities or use the facilities of the campus on a rental or public basis and will have the power to deal with situations where such persons are, or may be, at risk, including creating and implementing emergency response procedures and a Safe Congregation Policy. (See 3.4 herein.) The Senior Minister will comply with all

legal requirements for construction, modification and maintenance of the facilities and equipment.

2.7.1. The Senior Minister will provide an equitable and fair mechanism for rental of the facilities so long as such rental does not interfere with Church activities. The Senior Minister will ensure any third party that rents any building facility does not promote ideals that conflict with UU Principles and Guidelines or the Values and Mission of the Church.

2.7.2. The Senior Minister will ensure the provision of adequate fiscal and financial resources to cover facilities and maintenance to be allocated in the annual budget.

2.7.3. The Senior Minister will oversee the proper functioning of all facilities and the repair or replacement of facilities or equipment, as needed.

2.7.4. The Senior Minister will ensure the provision of adequate processes for safeguarding all electronic assets including the website and social media sites.

2.8. Delegation to the Senior Minister Regarding Financial Management. The Senior Minister will ensure the Church is sound with fiscal and financial integrity. The Senior Minister will develop and maintain a fiscally responsible budget (or budget changes) in compliance with these Principles. The Senior Minister will work collaboratively with the Treasurer, the Finance Committee, and the Board to administer the finances of the Church in accordance with these Principles. (See 3.5. herein).

2.9. Regarding the Senior Minister as Board Liaison. The Senior Minister will make reasonable and best efforts to ensure the Board is supported in its work with timely, accurate, and appropriate information, and/or required reports. (See 4.2 et al. herein.)

2.9.1. The Senior Minister will provide and disclose all relevant information and will not omit or misinform the Board as to all issues relevant to the management or administration of the Church. The Senior Minister will submit, for explicit Board approval, any items delegated to the Senior Minister that require Board review, ratification, or approval.

2.9.2. The Senior Minister will also provide candid, honest, and forthright feedback to the Board about success, failures, or problems in implementation of Board strategic plans, Visions of Ministry, Aspirations, or goals. Such information will not be disclosed to the Congregants before the Board has had an opportunity to review it and take appropriate action.

2.9.3. The Senior Minister will provide available information in support of the Board's work in creating policy including varying viewpoints, trends, resources, and alternative options.

2.9.4. The Senior Minister will disclose and advise the Board of any changes in

conditions that would invalidate the assumptions upon which any Board strategic plan, Vision of Ministry, Aspiration, or goal has previously been established or implemented.

2.9.5. The Senior Minister will inform the Board promptly of any anticipated adverse media coverage including any electronic or social media that may affect the Church.

2.9.6. The Senior Minister will promptly inform the Board of any failure of or by the Senior Minister, any staff member, any Church Member, any Board Member, or the Board itself to comply with these Principles. This includes any adverse or detrimental effects or actions any such person may cause or that might negatively reflect upon the Church.

2.10. Business Administrator. (Note: The generic title of Business Administrator describes the duties and functions of the person in this position. They may be called by any official title at any time.) The Board, by and through the Senior Minister, delegates authority to the Business Administrator for the management of the financial and operational aspects of the Church, with special responsibility for staff compliance with its policies on Care of Paid Staff (Section 3.3), Care for Members and Guests (Section 3.4) and Care for Material Resources (Section 3.5).

2.10.1. The Board expects the Business Administrator to exercise independent professional judgment in reporting to the Board and Senior Minister regarding matters in their purview.

2.10.2. The Board, by and through the Senior Minister, delegates authority to the Business Administrator in the capacity and function of Personnel Manager to hire and remove support staff they supervise such as Administrative Assistants, Membership Coordinators, Clerks, Support staff, Accountants, Sextons, and Coordinators of delegated services over which the Business Administrator maintains direct management and supervisory authority. All annual or performance reviews of such employees will be done by the Business Administrator in collaboration with the Senior Minister.

2.10.3. The Business Administrator in the capacity and function of Human Resources Manager, will establish and maintain all personnel records for all employees, process and review all personnel records and maintain all personnel records required by federal, state, and local laws, these Principles and Church Personnel policies (See 3.3.2. herein).

2.10.4. The Business Administrator in the capacity and function of Secretary to the Board will be responsible for support and assistance to the Board including all support services to provide proper and timely functioning of the Board, as well as maintaining documents, Board minutes, and all Board and corporate records. They will timely file all required corporate filings and amendments and/or IRS documents and filings as needed to ensure that the corporate

status is active and complete, and the 501(c)(3) tax exempt status is preserved. The Board may appoint one or more Clerks to take Board Minutes and produce records, or archive Minutes as needed. Any Clerk, however, is ultimately responsible to the Business Administrator as Minutes are corporate records.

2.10.5. The Business Administrator in the capacity and function of Manager of Financial Services and Records will follow all of these Policies, Senior Minister's directives, and financial policies, procedures and guidelines, and will oversee all accounting, inventory and auditing services and duties. All financial documentation and records will be regularly maintained in appropriate, safe and secure orders. The Business Administrator is responsible for the true and correct recording of all records, including financial and support documents. (See 3.5 et al herein.)

2.10.6. The Business Administrator in the capacity and function of Manager of Membership Records will see that a membership process and system is established and oversee and maintain all records regarding Members and membership within the Church. This includes potential members, visitors, and friends.

2.10.7. The Business Administrator in the capacity and function of Manager of Income will establish and maintain records of all pledges, donations, payments, and all income received by the Church. They will assist with any financially related tasks or projects as directed by the Senior Minister.

2.10.8. The Business Administrator in the capacity and function of Facilities Manager will oversee the daily maintenance and repairs to the facilities and equipment of the Church.

2.10.9. The Business Administrator in the capacity and function of Safety Manager will maintain all terms of Church policies as to safety of all persons entering and participating in activities within the Church. (See generally 3.4. et al herein.) The Business Administrator is responsible for periodically reviewing, updating, maintaining, and distributing the Safe Congregation Policy in collaboration with the Senior Minister.

2.10.10. The Business Administrator in the capacity and function of Security Manager will oversee all security efforts within the Church and ensure the premises are secure and safe for all participants. The Business Administrator will also periodically review the Safe Congregation Policy of the Church in collaboration with the Senior Minister. (See generally 3.4. et al herein.)

2.10.11. Given the nature, range and volume of responsibilities, duties and functions of the Business Administrator, the Board authorizes the Senior Minister reasonable discretion to further delegate responsibilities to staff, volunteers,

third-parties, or teams, so long as the tasks are pre-approved, reviewed and supervised by the Business Administrator with accountability of such delegated tasks remaining ultimately with the Business Administrator.

3. GUIDANCE AND LIMITATIONS

3.1. General. The Senior Minister will ensure no organizational practice, activity or decision is unlawful, imprudent, or in violation of commonly accepted professional ethics and practices, or not aligned with the principles of UU and the Values and Mission of our Church.

3.2. Personnel Decisions. The Senior Minister will be responsible for the overall selection, hiring, supervision, and removal of paid staff.

3.2.1. Hiring Senior Staff. When filling senior staff positions, the Senior Minister will consult with appropriate lay leaders and others before selecting.

3.2.2. Employment at Will. Paid staff are employees-at-will, unless the Board approves the terms of a contract that states otherwise.

3.2.3. Discipline and Termination. Prior to discharging a paid staff member, the Senior Minister must ensure the decision complies with applicable laws, these Principles, any applicable contracts, and the Personnel Manual. The Senior Minister must promptly notify the Board when an employee has been terminated.

3.3. Care for Staff. The Church intends to be a fair, ethical, and attractive employer, to achieve high staff morale and productivity, and to protect members of the staff from all forms of injustice and abuse related to their employment.

3.3.1. Supervision and Evaluation. Each employee will be assigned an immediate supervisor, who will provide an up-to-date job description and complete an annual process of goal-setting and performance review as described by the Personnel Policies.

3.3.2. Personnel Manual. The Senior Minister will oversee the development of a Personnel Manual for staff that complies with all applicable policies and all legal requirements. The Business Administrator is responsible for maintaining and distributing an up-to-date copy to all employees. The Personnel Manual must provide adequate policies to give practical effect to the following principles:

3.3.2.1. Nondiscrimination. The Church does not discriminate, nor does it condone the practices of illegal discrimination in any employment

related decisions or activities on the basis of race, color, age, sex, marital status, sexual orientation, gender identity and expression, disability, national origin or ancestry, economic status, union membership, political affiliation, DNA, or genetic status. Religious opinion and affiliation may be considered only to the extent that it may be a bona fide occupational qualification or may prevent an employee from being fully supportive of the Church's Mission and values.

3.3.2.2. Harassment and Bullying. The Church is committed to maintaining a work environment free of harassment and bullying. Harassment and bullying of any kind, including sexual harassment, is absolutely prohibited, and allegations of harassment must be reported and acted upon promptly through the grievance process outlined below.

3.3.2.3. Grievances. The Church intends to protect the right of staff to raise concerns about working conditions without fear of retaliation. The Church has established a process of resolving employee grievances. The Employee Grievance Resolution Process is outlined in the Personnel Manual.

3.3.2.4. Whistleblower Protection. The Church prohibits retaliation against employees or other persons who in good faith report an actual or suspected violation of law, such as harassment, fraud, or misappropriation of Church assets; violations of our Safe Congregation Policy, actual or suspected danger to public health or safety; suspected violations of these policies. An employee who retaliates against anyone who has made such a report is subject to discipline up to and including termination of employment.

3.4. Care for Members and Guests. The staff will take all reasonable care to prevent harm to Congregants, guests, program participants, and other people affected by the Church.

3.4.1. Health and Safety. The Business Administrator will ensure all Church programs are safe for participants and staff, that facilities are maintained in a safe, sanitary, and secure condition. Additionally, the Business Administrator will ensure required licenses and inspections are kept up to date, and hazards are corrected promptly.

3.4.1.1. Smoking. The Church prohibits smoking of any kind including electronic cigarettes or vaping on Church premises.

3.4.1.2. Drug Use. The Church prohibits the possession, sale, or distribution of illegal drugs on Church premises or at Church sponsored activities.

3.4.1.3. Firearms. The Church prohibits anyone other than on-duty law enforcement officers or off-duty law enforcement officers hired by the

Church from carrying a firearm on any Church property. See Safe Congregation Policy.

3.4.2. Emergency Planning. The Business Administrator will create and maintain a written plan for responding to reasonably foreseeable emergencies including accident, illness, fire, toxic conditions, weather problems, threatening communications, power outages, acts of violence, active shooters, and natural disasters.

3.4.3. Child Protection. Because of the Church's responsibility for children and youth in its care, the Business Administrator will compile and maintain clear procedures for the selection, training, and supervision of anyone who works with persons age 18 years and younger as part of the Safe Congregation Policy. Background checks will be obtained on all persons dealing with children or vulnerable populations within the Church.

3.4.4. Disruptive Behavior. To maintain an atmosphere welcoming to a variety of individuals, the Church will firmly and promptly address behavior that threatens the physical or emotional safety of any adult or child or limits the free exchange of opinions and beliefs. When such behavior occurs, the Senior Minister will take immediate action, if required, and report promptly to the Board, recommending any further disciplinary action, which may include termination of Church employment or membership. See the Safe Congregation Policy.

3.4.5. Harassment. The Church's anti-harassment policy extends beyond its employees to include volunteers, Congregants, and visitors. All persons who attend Church events or activities are specifically prohibited from acts of harassment, including sexual harassment, against any member or participant in Church activities. See Safe Congregation Policy.

3.4.6. Building Security. The Business Administrator will ensure access to Church buildings is limited to those who have legitimate business there during appropriate business hours.

3.4.7. Universal Access. The Church intends to make its premises and activities safely and conveniently accessible to persons with disabilities. The Church Business Administrator will ensure Church facilities, programs, and policies meet or exceed all applicable legal requirements, and that the Church engages in continual review, learning and improvement in this area.

3.5. Care for Material Resources. The Senior Minister, and/or the designee the Church may select, and the Business Administrator will take all reasonable care to prevent harm to the Church's financial assets, property, credit, and tax exemptions. Additionally, they will develop administrative practices and procedures designed to prevent such harm and must report promptly to the Board on any significant shortcomings in their

implementation or maintenance.

3.5.1. Operating and Capital Budgets. Each year, the Senior Minister will present a one-year operating budget and a three-year strategic budget for approval by the Board. This budget will consist of both an operating budget and a capital budget.

3.5.1.1. Proposed budgets will be based on the Annual Vision of Ministry and any strategic plan currently in effect.

3.5.1.2. The Senior Minister will, when presenting a budget, express an opinion whether it is adequate to fulfil the Annual Vision of Ministry.

3.5.1.3. Proposed annual budgets will meet Board pre-approval and be presented to the Congregants at the annual meeting for review and comments. The Board finally adopts the annual budget after the Congregants' review with amendments, as needed.

3.5.2. Spending Authority. The Senior Minister and Business Administrator control and are responsible for all spending out of Church accounts, subject to the following limitations.

3.5.2.1. Donor-restricted funds may not be used in violation of donor restrictions or Board-restricted funds in violation of Board-imposed restrictions.

3.5.2.2. Board approval is required to change compensation for any full time staff position, or to change the basis on which benefits are calculated. Typically, the Senior Minister will propose such changes only during the normal budgeting process.

3.5.2.3. The Senior Minister will anticipate and prevent spending more than the overall budget. If they foresee any material deviation from budgeted spending, the Senior Minister will promptly inform the Board and recommend options for adjusting the budget.

3.5.2.4. The budget will be prepared in outline form, with major budget categories summarizing minor ones. The Senior Minister may approve overspending by up to 15% or $10,000 (whichever is smaller) over the budgeted amount in any major budget category, provided overall spending remains within budget and the adjustment is promptly reported to the Board. The Senior Minister should report overspending by over 15% or $10,000 to the Board by the next Board meeting.

3.5.2.5. The Senior Minister may not purchase, sell, or encumber real property without prior authorization by the Board.

3.5.2.6. The Ministerial compensation package and the Minister's Agreement for any called or contract Senior Minister will be modified only by mutual agreement between the Senior Minister and the Board. The Minister's compensation and housing allowance will be changed only with Board approval.

3.5.3. Sound Financial Policies. In compliance with GAAP and Policies developed by the Finance Committee, the Senior Minister and the Business Administrator will establish and maintain a fiscally responsible set of guidelines to be approved by the Board that provides for the long-term financial health of the Church.

3.5.3.1. Financial policies will include:

3.5.3.1.1.1. Accounting and Financial Standards. Accounting and financial controls that conform to GAAP and accepted best practices for Churches of comparable size.

3.5.3.1.1.2. Endowment Fund Policy. Controls for the prudent management and administration of the Endowment Fund.

3.5.3.1.1.3. Gift Acceptance Policy. Controls for receiving and acknowledging of all gifts to the Church.

3.5.3.1.1.4. Financial Activity Policies. Policies and limitations to avoid financial jeopardy and material deviation of actual expenditures from the annual budget and established Board priorities.

3.5.3.2. The Senior Minister and Business Administrator will see that the financial policies are followed, and the Senior Minister will report any material deviation to the Board.

3.5.4. Asset Protection. The Senior Minister will take all reasonable care to ensure the Church assets are protected from loss or theft, including:

3.5.4.1. Adequate insurance coverage to protect against property losses, liability for injuries to others, corporate liability, personal liability of Board Members and staff, and honesty bonds for all personnel with access to material amounts of funds, if appropriate.

3.5.4.2. Maintenance of Church property and equipment to keep it in working order, subject to reasonable wear and tear.

3.5.4.3. Consultation with an appropriate team of Church Members or knowledgeable third- parties when planning to make substantial structural changes to the facilities; and/or

3.5.4.4. Reasonable steps including an information protection plan to protect the Church's intangible property, including intellectual property, electronic data, website, and social media sites, and paper files from unauthorized disclosure, significant damage, destruction, malware, hacking, or loss.

3.5.5. Document Retention. The Senior Minister and the Business Administrator must maintain written procedures to govern the backup, retention, and destruction of the Church's information, both paper and electronic, giving definite retention periods for classes of financial, business, pastoral, personnel, and corporate records in both paper and electronic forms.

4. OVERSIGHT

4.1. Mission Focus. The Board's duty of care requires it to ensure the Church's human and material resources are used for the benefit of its Mission. The Board fulfills this duty in two ways: by monitoring regular reports provided by the staff, and by scheduled evaluation of the Church's progress toward achieving the goals established in the Annual Vision of Ministry.

4.2. Monitoring. The Senior Minister and Board will engage in a regular process of monitoring and evaluation. The purposes to be accomplished through monitoring and evaluation are:

- to foster excellence in ministry work by encouraging open communication and regular feedback among all whose work contributes to achieving the Church's Mission,
- to help the Congregation focus on its goals as adopted by the Board, and
- to ensure all congregational leaders adhere closely to Board policies. Senior staff may be utilized to assist in this process.

4.2.1. The Senior Minister will provide regular written reports from the staff to the Board. Reports must focus on progress on priorities, as set by the Board through the Annual Vision of Ministry, and on compliance with these Principles. Monitoring reports must be e-mailed to Board Members in advance of each monthly meeting but will not normally be a subject of Board discussion except when they require Board action or raise issues of compliance with Board policy. Reports must include, at minimum:

4.2.1.1. Programmatic monitoring. On a schedule to be agreed upon annually by the Senior Minister and the Board, the Senior Minister must provide reports to the Board regarding:

4.2.1.1.1.1. Progress on achieving the Annual Vision of Ministry.

4.2.1.1.1.2. Compliance with applicable Board directives and stated goals and

strategic plans of action; and

4.2.1.1.1.3. Each report will focus on selected areas of progress and compliance, so that the entire Vision of Ministry and all expected annualized goals will be monitored throughout the year.

4.2.2. Board Inquiries. From time to time, the Board may inquire into specific questions of policy compliance, organizational concerns, or other serious issues by appointing a committee or outside consultant to assess some aspect of Church program or organizational functioning.

4.2.3. Review. The review process is part of an ongoing culture of open conversation. The Board believes it is important to the ongoing success of the Church to conduct annual evaluations/assessments of all Assistant Ministers, Associate Ministers, contracted employees, paid staff, and the Board. The Board also strongly encourages ongoing conversations among all parties about the reasonableness of goals, resource limitations, and other issues as part of maintaining a culture of openness, respect, and fairness.

4.2.4. Board and Senior Minister Evaluation. Annually, as part of the creation of the Annual Vision of Ministry, the Senior Minister and Board will together review their respective contributions to the fulfillment of the prior year's Annual Vision of Ministry by means of an effectiveness assessment. (The Annual Mutual Assessment. See 1.1.3.)

4.2.5. Staff Evaluations. The Senior Minister must ensure the Church employees develop, with their supervisors, timely annual performance goals supportive of the Annual Vision of Ministry, and their performance is evaluated annually in writing. Evaluations are a periodic and formalized aspect of employment and should strive to emphasize both the positive and negative aspects of performance. In the latter case (negative aspects), the first choice is always to identify concrete actions to improve performance. The evaluation process should also include feedback in both directions and provide an opportunity for career planning and development. The purpose to be accomplished through evaluation is to foster excellence in ministry work by ensuring the Church leaders practice open communication and regular feedback, meet performance standards appropriate to their roles, maintain effective working relationships with one another, and focus on achieving goals as approved by the Board and staff.

4.2.6. Evaluation of Established Teams. The Senior Minister must ensure leaders of teams engaged in Church related activities develop, together with their staff supervisors, goals supportive of the Annual Vision of Ministry. Their performance is to be evaluated annually in writing.

4.2.7. Senior Minister's Performance Evaluation. Every three (3) years, or more

frequently as necessary, the Board and Senior Minister will appoint an ad hoc Evaluation Committee of three (3) persons held in high esteem by the Church and mutually acceptable to the Board and Senior Minister. For new Senior Ministers, it is recommended that this evaluation be performed at the end of the second year. Working with the Senior Minister, the ad hoc Evaluation Committee will design and facilitate an Evaluation of the Senior Minister's performance. The goals of the Evaluation are to:

4.2.7.1. Assess the Senior Minister's performance in the various delegated roles in furthering the overall Mission and Vision of the Church.

4.2.7.2. Support the Senior Minister to remain motivated, creative, and flexible; and

4.2.7.3. Equip the Senior Minister and Board to correct any problems and maintain an effective partnership to advance the Mission and Vision of the Church. The Committee's report to the Board, together with a written response from the Senior Minister, will be published to the Congregants along with the Board's plan for addressing any recommendations it may contain.

5. AMENDMENT OF THE PRINCIPLES OF GOVERNANCE

5.1 The Board of Directors reserves the right to amend, alter, change or repeal any provision contained in the Principles of Governance.

5.2 The Principles of Governance shall not conflict with any provision of the Articles of Incorporation, restate or amended, or with the Bylaws.

5.3 The Principles of Governance may be amended at any Board meeting by a vote of two thirds of the voting Members of the Board.

5.4 Notice of the proposed amendment(s) must have been published in the Church newsletter at least one week prior to the meeting.

Definitions / References

Aspirations – Aspirations are expressions of intention that are significant to the Church's strategic plan but do not, yet, have answers. Aspirations call for a wider, longer conversation than the process used to create the annual Vision of Ministry can accommodate and invite congregational conversation before a decision is made.

Board of Directors – The governing elected members responsible for the management and administration of the First Unitarian Universalist Church (Church). Also referred to as the Board.

Church – The First Unitarian Universalist Church of Houston as an entity of members constituting a church under the auspices of the Unitarian Universalist Association operating as a non- profit Texas corporation that is an IRS 501(c)(3) tax exempt private organization.

Board Member – A Member of the Church who has been elected by the Church to serve on the Board of Directors for a term of up to three years.

Committee – A group of persons appointed by the Board that does work exclusively for the Board. Committees take assignments from the Board and report directly to the Board based on work expressly authorized by the Board in writing. Committees can be either standing or ad hoc committees and function for a limited purpose and period. (The Nominating Committee is the one committee elected by the Members.)

Congregation, Congregants – All persons, regardless of membership who participate in the Church life and activities of our Church.

Congregational Life – All activities performed by the Church whether by the Senior Minister, the Senior Staff Team, paid staff or volunteers and congregants in support of and on behalf of the Church and that furthers the Mission and Vision of the Church.

Member – a person who elects to join our Church and has officially been recognized for membership by the Board.

Policies – These Principles of Governance, adopted by the Board, for purposes of guiding the Church, its Board, the Senior Minister, our staff, and Members.

Staff- Employees of FUU who have specific roles and job descriptions together with authority to determine actions in support of specified duties and programs. Staff are directly responsible either directly to the Business Administrator and or directly to the Senior Minister.

Senior Staff Team – A team of employees which includes the Senior Minister, all Assistant Ministers, all Associate Ministers, and the Church Business Administrator, all of whom report directly to the Senior Minister or to another delegated employee.

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Team – An activity group related to a function/ ministry of the Church and appointed by the Senior Minister or staff person. A team does its work primarily with the Senior Minister and staff supervision or authority.

Vision of Ministry – A short list of top-priority areas where the Church will advance its work in the coming year, used as a starting point for budgeting, programming, activities, and staff planning. The Vision of Ministry can include projects that span multiple years.

Volunteer – Congregants assigned or appointed to individual tasks, Teams or Committees for specific programs, projects, functions, or duties. Volunteers are not staff. All volunteers perform under the auspices and guidance of staff and have no specific or independent authority to act or make decisions on behalf of the Church.

Etiology

Adopted August 19, 2020

Revised, September 16, 2020

Revised, September 14, 2021

Revised, July 19, 2023

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